

November - December
2001



WASHINGTON STATE
GAMBLING COMMISSION

Focus n Gambling

2002 LEGISLATIVE SESSION

The 2002 Session is scheduled to start on Monday, January 14. There may be several gambling related bills that will be introduced by several interested organizations. Recent articles in the newspaper are generating a number of inquiries to this agency as to whether the legislature, the Governor or the gambling commission is going to authorize video poker or other electronic games.

The current budget problems facing the State of Washington are causing many people to explore every option for possible new revenue, including gaming. As always, this agency will respond to requests for information and data from other state agencies as well as the public.

However, we are not involved in or promoting any proposals, nor do we know what anyone is planning on doing in this regard. Inquiries as to what the Governor, legislators or interest groups are proposing should be redirected to those persons. We will know what they plan to do when their plans becomes public.

We will summarize any gambling bills being discussed in future newsletters as appropriate. If you wish to view the progress of bills during the session, you can visit www.leg.wa.gov on the Internet. You should also contact your local legislator if you wish to influence any pending legislation.



Washington State Council on Problem Gambling 1-800-547-6133

When a constant desire to play causes you to lose everything, it may feel as though hope is gone. Help is available. Call the Washington State Council on Problem Gambling Helpline today. All calls are confidential. www.wscpg.org

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WHAT IS A NOVAS?

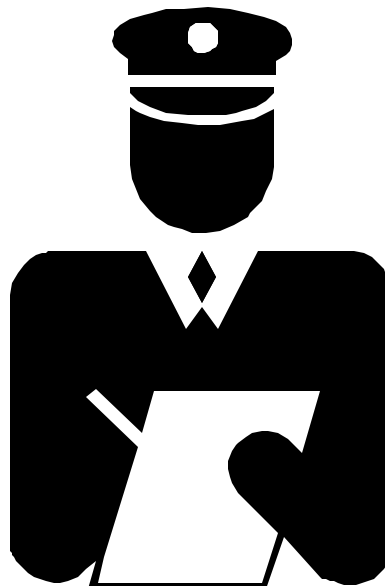
Effective January 1, 2002 Commission special agents will have a new tool to gain compliance with commission rules. When an agent detects one of the violations listed below they will have the ability to issue a Notice of Violation And Settlement (NOVAS). The agent will explain the violation and issue the administrative citation to the on-duty manager or other employee. The manager will sign the NOVAS acknowledging that s/he has received it. The licensee will have the opportunity to settle the matter by paying a \$200.00 fine in lieu of a formal statement of charges and hearing.

This program is initially limited to the following violations:

- A licensee allowing employees to work after the expiration of their card room employee license.
- Certain surveillance violations (such as failure to retain tapes, failure to record audio in soft count room, etc.).
- Failure to delete a prize from a punch board/pull-tab flare.

The goal of this project is to develop a procedure and protocol that will create a tool for quicker follow-up for certain infractions that seem to frequently occur. It will also reduce the staff time expended preparing case reports and statements of charges. Expansion will likely occur to other violations.

Implementation of this new program does not replace the other ways an agent may deal with infractions. A verbal warning, written warning, or N.O.I. (Notice of Infraction) may be used as appropriate to the violation and circumstances.



Mission Statement

Protect the public by ensuring that gambling is legal and honest.

Washington State Gambling Commission

Administrative Case Update

LICENSEE	VIOLATION	CASE OUTCOME
Habana Café & Casino, Tacoma	Causing a dealer to violate Commission rules, failure to comply with rules of play, and failure to ensure games are operated fairly.	The licensee has not operated since July 1, 2001; however, owner Emil Kandi is in the process of selling the business and divesting himself of all financial interest. To that end, the licensee agreed to a 60 suspension, which was deferred and vacated in part by payment of \$1,200. If the pending sale fails to close, or if Mr. Kandi retains a substantial interest following the sale, the remaining period of suspension would be imposed.
William Oelke, CRE (Formerly employed by Minn's Club, Wenatchee)	Extending Credit	The licensee agreed to surrender his license for a period of one year.
Pete's Flying Aces, Tukwila	Repeated failure to maintain and produce gambling records.	Owner Lily Hsue is in the process of selling the business and divesting herself of all financial interest. To that end, the licensee agreed to a 90 suspension. 60 days were deferred, but will be imposed if the pending sale fails to close, or Ms. Hsue retains a substantial interest following the sale. The remaining 30 days were vacated upon payment of a \$35,790 fine, and investigative/administrative costs of \$6,180. Lily Hsue also agreed not to reapply for licensure or hold a substantial interest in any other business that holds a gambling license for two (2) years.



NEWSLETTER CORRECTION

The newsletter editor was notified of an error found in the May-June 2001 Focus on Gambling. While Jennifer DeSmith of the Tacoma office was the first person to graduate No. 1 overall from the new 720 hour Basic Law Enforcement Academy class, Mark Harris, a supervisor in the Lynnwood office, accomplished a similar feat back in 1995 when the academy was still at 440 hours.

The positive message to pass on from this correction is that our staff will continue to excel no matter how the requirements change for academy graduation.



RULE CHANGES

These Three Rule Packages were Adopted at the November Commission Meeting to become effective January 1, 2002.

LICENSED RAFFLES

WAC 230-20-325 Manner of conducting a raffle
WAC 230-20-335 Members-only raffles – Procedures – Restrictions.

Licensees are now able to use discount schemes and alternative drawing formats in subsequent years once they have been approved as long as they are identical in the subsequent years. This amendment will save licensees and staff time by eliminating repetitive approval of alternative drawing formats and discount schemes when they are identical in nature.

RE-OPENING A HOUSE-BANKED CARD ROOM AFTER CLOSURE

WAC 230-40-801 Interruption of card games – Pre-operational review and evaluation required – House-banking.
WAC 230-04-207 Additional requirements – House-banked card games.

These rules set forth the requirements a licensee must follow to reopen their house-banked card room after a temporary closure. This filing codifies operating procedures, which were previously handled through policy. These procedures ensure the security and integrity of the card games have not been compromised in anyway during the time the card room was closed.

LICENSING FEES

WAC 230-04-202 Fees – Bona fide charitable/nonprofit organizations.
WAC 230-04-203 Fees – Commercial stimulant and other business organizations.
WAC 230-04-204 Fees – Individuals.
WAC 230-08-017 Control of gambling equipment – Use of identification and inspection services stamps.

After reviewing the agency's budget earlier this year, staff determined that a fee increase of approximately 2.79% was needed to cover budget requirements. Two alternatives have been discussed at the last three Commission meetings. **Alternative #1:** Increase all licensing fees and ID stamp fees by approximately 2.79%, except for fund-raising events (FRE); and **Alternative #2:** Increase licensing fees for commercial operators and fees for ID stamp by approximately 2.79%. However, fees for charitable and nonprofit licensees would not be increased.

At the November Commission meeting, the Commission adopted Alternative #2. Therefore, commercial operator licensing fees and ID stamp fees will be increased approximately 2.79%, effective January 1, 2001; however, charitable and nonprofit licensing fees will not be increased.

Additionally, FRE licensing fees were reduced considerably. The fee reductions were the result of two Petitions for Rule Change submitted by Richard Walker and Mr. Blagovich at the May and June Commission meetings. The petitioners requested that licensing fees for FREs be

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reduced to \$50. Staff did not feel a reduction of this amount would cover agency costs; therefore, staff proposed an alternative. Staff's alternative reduced licensing fees for limited fund-raising events and reduced all FRE fees when charitable organizations renew their FRE license. The alternative reduced fees, yet still allowed our agency to recover basic licensing costs. The Commission incorporated these changes into this rules package. This allowed all changes to be made to this rule at one time, rather than having it up for amendment again with this rules package.

The following rules packages were filed at the November Commission Meeting and will be Discussed Further at the January and February 2002 Commission Meetings.

Bingo:

WAC 230-20-244 Electronic Bingo Card Daubers-Definition-Operating Restrictions-Standards

WAC 230-20-246 Manner of conducting bingo

WAC 230-20-249 Three number speed bingo – Operational procedures – Restrictions

The proposed amendment clarifies that bingo players may only use one electronic bingo card dauber at a time. This prevents a player from utilizing numerous electronic bingo card daubers at one time and possibly having a winning advantage over other players.

Currently, winning bingo cards must be verified by a bingo employee and at least one neutral player. This proposed amendment would allow an alternative method to determine winning players for electronic daubers. The proposed amendment would allow a bingo employee to verify the winning card, without verification by a neutral player. However, after verification, the employee must then broadcast the winning card on a video screen for all players to view. Furthermore, any player can request to view the card.

The proposed amendment also increases the maximum price to purchase a three number speed bingo card from \$2 to \$7. Furthermore, the proposed amendment would allow three number speed bingo games to accrue progressive jackpots. The progressive jackpot would be tied to a bingo game where, in addition to purchasing a bingo card, each player would pay an ante. The jackpot would accrue from the "ante" paid by players.

Pull-Tabs:

WAC 230-30-033 Event pull-tab series – Definitions – Restrictions.

WAC 230-30-045 Pull-tab series with carry-over jackpots– Definitions – Requirements.

WAC 230-30-072 Punchboard and pull-tab inventory control – Retention requirements – Audit adjustments.

The bingo industry requested that bingo floor workers be allowed to sell event pull-tab tickets while they are working the floor of the bingo hall, for example, from an apron. Event pull-tab games are designed with a small number of tickets which typically sell out and the games are played quickly.

The proposed change also clarifies how a carry-over jackpot will be handled in the event a licensee sells or closes their business. This ensures the advertised prize is awarded and enables staff to track carry-over jackpot funds.

Last, currently commercial pull-tab licensees are required to retain pull-tab games with winning punches over twenty dollars must be retained for at least ninety days. Language was added to clarify that in addition to the winning punches or pull-tabs, the pull-tab flare must also be retained for the ninety-day period. This procedure ensures that all aspects of pull-tab games are available when audited by staff.

Petition for Rule Change – Teaching the Public How to Play Craps.

WAC 230-02-205 Gambling service supplier defined.

Mr. Kirtland is owner of Player's Edge, a store that sells gambling related books, videos and accessories. Mr. Kirtland has submitted a Petition for Rule Change requesting the definition of a gambling service supplier be amended to include persons providing educational seminars to the public. Mr. Kirtland would like to place a craps table in his store for the purpose of teaching the public how to play the game of craps. No gambling would be involved. The table would be for instructional purposes only.

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Petition for Rule Change – Raising Betting Limits for House-Banked Card Games

WAC 230-40-120 Limits on wagers in card games.

Mr. Tull, attorney for the Recreational Gaming Association, submitted a Petition for Rule Change to raise house-banked card game betting limits from \$100 to \$500. He subsequently submitted a second petition with three additional options which are:

- a) Up to 5 tables may offer betting limits up to \$500 and the remaining tables would operate at maximum betting limits of \$300;
- b) After operating at Phase II betting levels of \$250 for 6 months, the wager limit could be increased to \$500; or
- c) Up to 2 tables may offer betting limits up to \$500 and the remaining tables would operate at maximum betting limits of \$300.

Although the Petitions were filed, the Commission made it clear that the filing did not necessarily mean any of the options would be adopted at a later date for card rooms operating under Phase II betting levels.

On the following pages are rules passed through the November Commission meeting. They become effective on the date listed on each rule.

Please remove the rules and place into the appropriate section of your rules manual as required in WAC 230-12-080.

AMENDATORY SECTION (Amending Order 399, filed 2/9/01, effective 3/12/01)

WAC 230-04-202 Fees--Bona fide charitable/nonprofit organizations. Bona fide charitable and nonprofit organizations shall submit the following fees to the commission when applying for gambling licenses, permits, miscellaneous changes, inspection services, or when assessed the cost of special investigation procedures by the commission:

<u>LICENSE TYPE</u>	<u>DEFINITION</u>	<u>SEE</u>
1. AMUSEMENT GAMES	(Fee based on annual gross gambling receipts)	
* Class A	Premises only	\$ 53
Class B	Up to \$ 10,000	\$ 53
Class C	Up to \$ 25,000	\$ 285
Class D	Up to \$ 50,000	\$ 457
Class E	Over \$ 50,000	\$ 797

* Allows a charitable or nonprofit organization to enter into a contract with Class "B" or above commercial amusement licensee to locate and operate amusement games on their premises.

2. BINGO GROUP

(Fee based on annual gross gambling receipts)				VARIANCE*
Class A	Up to	\$ 15,000	\$ 1,000	\$ 53
Class B	Up to	\$ 50,000	\$ 1,000	\$ 166
Class C	Up to	\$ 100,000	\$ 2,000	\$ 339
Class D	Up to	\$ 250,000	\$ 4,000	\$ 915
Class E	Up to	\$ 500,000	\$ 8,000	\$ 1,541
Class F	Up to	\$ 1,000,000	\$ 15,000	\$ 3,095
Class G	Up to	\$ 1,500,000	\$ 23,000	\$ 4,467
Class H	Up to	\$ 2,000,000	\$ 30,000	\$ 5,967
Class I	Up to	\$ 2,500,000	\$ 38,000	\$ 7,455
Class J	Up to	\$ 3,000,000	\$ 45,000	\$ 8,945
Class K	Up to	\$ 3,500,000	\$ 53,000	\$ 10,034
Class L	Up to	\$ 4,000,000	\$ 60,000	\$ 11,470
Class M and above	Over	\$ 4,000,000	Not applicable	12,906

* A licensee will be allowed a one-time variance for each license class without having to upgrade or pay the penalties set forth in WAC 230-04-260: Provided, That a licensee utilizing the variance shall be required to upgrade to the higher license class upon renewal.

3. CARD GAMES			
Class A	General (Fee to play charged)		\$571
Class B	Limited card games - hearts, rummy, pitch, pinochle, and cribbage (Fee to play charged)		\$ 166
Class C	Tournament only - no more than ten consecutive days per tournament		\$ 53
Class D	General (No fee to play charged)		\$ 53
4. FUND-RAISING EVENT			
Class A	One event - not more than 24 consecutive hours <u>First time applicant</u>		\$ 339
	<u>*Previously licensed applicant</u>		<u>\$ 200</u>
Class B	One event - not more than 72 consecutive hours <u>First time applicant</u>		\$ 571
	<u>*Previously licensed applicant</u>		<u>\$ 350</u>
Class C	Additional participant in joint event (not lead organization)		\$ 166
<u>Class D</u>	<u>Limited fund-raising event (one event - not more than six consecutive hours)</u> <u>First time applicant</u>		<u>\$ 150</u>
	<u>**Previously licensed applicant</u>		<u>\$ 100</u>
Class ((D)) <u>E</u>	Fund-Raising Event Equipment Distributor - rents or leases, equipment for fund-raising event or recreational gaming activity for no more than ten times per year.***		\$ 226

Class ((E)) E	Fund-Raising Event Equipment Distributor - rents or leases equipment for fund-raising event or recreational gaming activity more than ten times per year.	\$ 571
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* Provides for a reduced fee when charitable and nonprofit organizations apply for an additional Class A or Class B fund-raising event.

** Provides for a fee reduction when charitable and nonprofit organizations apply for an additional Class D limited fund-raising event.

*** Charitable and nonprofit organizations licensed to conduct fund-raising events may rent their equipment up to four occasions during the term of the license without getting licensed as a distributor.

5. PUNCH BOARDS/PULL-TABS

		(Fee based on annual gross gambling receipts)		VARIANCE *	
Class	Up to	\$		\$	
A	Class	Up to	\$ 50,000	\$ 5,000	\$ 544
B	Class	Up to	\$ 100,000	\$ 5,000	\$ 971
C	Class	Up to	\$ 200,000	\$ 10,000	\$ 1,832
D	Class	Up to	\$ 300,000	\$ 10,000	\$ 2,663
E	Class	Up to	\$ 400,000	\$ 10,000	\$ 3,440
F	Class	Up to	\$ 500,000	\$ 10,000	\$ 4,153
G	Class	Up to	\$ 600,000	\$ 10,000	\$ 4,812
H	Class	Up to	\$ 700,000	\$ 10,000	\$ 5,416
	Class I	Up to	\$ 800,000	\$ 10,000	\$ 5,967
	Class J	Up to	\$ 1,000,000	\$ 20,000	\$ 6,765
	Class	Up to	\$ 1,250,000	\$ 25,000	\$ 7,509
K	Class	Up to	\$ 1,500,000	\$ 25,000	\$ 8,201
L	Class	Up to	\$ 1,750,000	\$ 25,000	\$ 8,771
M	Class	Up to	\$ 2,000,000	\$ 25,000	\$ 9,290
N	Class	Over	\$ 2,000,000	Non-	\$ 10,208
O				applicable	

* A licensee will be allowed a one-time variance for each license class without having to upgrade or pay the penalties set forth in WAC 230-04-260: Provided, That a licensee utilizing the variance shall be required to upgrade to the higher license class upon renewal.

6. RAFFLES	(Fee based on annual gross gambling receipts)	
Class A	Up to \$ 5,000	\$ 53
Class B	Up to \$ 10,000	\$ 166
Class C	Up to \$ 25,000	\$ 339
Class D	Up to \$ 50,000	\$ 571
Class E	Up to \$ 75,000	\$ 915
Class F	Over \$ 75,000	\$ 1,370

7. COMBINATION LICENSE

CLASS A Allows gross gambling receipts of up to \$ 25,000 from bingo, \$ 7,500 from raffles, and \$ 7,500 from amusement games, not to exceed \$ 30,000 combined gross gambling receipts from all such activities. Allows general card games where no fee to play is charged.	\$ 103
CLASS B Allows gross gambling receipts of up to \$ 60,000 from bingo, \$ 15,000 from raffles, and \$ 15,000 from amusement games, not to exceed \$ 75,000 combined gross gambling receipts from all such activities. Allows general card games where no fee to play is charged.	\$ 268
CLASS C Allows gross gambling receipts of up to \$ 125,000 from bingo, \$ 30,000 from raffles, and \$ 30,000 from amusement games, not to exceed \$ 150,000 combined gross gambling receipts from all such activities. Allows general card games where no fee to play is charged.	\$ 619

**8. SEPARATE
PREMISES**

BINGO	Per occasion (see WAC 230-04-300)	\$ 26
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9. PERMITS

AGRICULTURAL FAIR-BINGO	(See WAC 230-04-191)	\$ 26
RECREATIONAL GAMING ACTIVITY (RGA)	(See WAC 230-25-330 and 230-02-505)	\$ 53

10. CHANGES

NAME	(See WAC 230-04-310)	\$ 26
LOCATION	(See WAC 230-04-320)	\$ 26
FRE	(Date or time) (See WAC 230-04-325)	\$ 26
LICENSE CLASS	(See WAC 230-04-260)	\$ 26
DUPLICATE	(See WAC 230-04-290)	\$ 26
LICENSE		

11. SPECIAL FEES

INVESTIGATION	(See WAC 230-04-240)	As required
REPLACEMENT	(See WAC 230-08-017)	\$ 26
IDENTIFICATION		
STAMPS		
EXCEEDING LICENSE CLASS	(See WAC 230-04-260)	As required
REVIEW, INSPECTION AND/ OR EVALUATION OF EQUIPMENT, PARAPHERNALIA, SERVICES, OR SCHEMES	(See WAC 230-12-315)	As required

12. SIX-MONTH PAYMENT PLAN	(See WAC 230-04-190)	\$ 26
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AMENDATORY SECTION (Amending Order 399, filed 2/9/01, effective 3/12/01)

WAC 230-04-203 Fees--Commercial stimulant and other business organizations. All persons seeking to operate gambling activities shall submit the following fees to the commission when applying for gambling licenses, permits, miscellaneous changes, inspection services, or when assessed the cost of special investigation procedures by the commission:

<u>LICENSE TYPE</u>	<u>DEFINITION</u>	<u>FEE</u>
1. CARD GAMES		
Class B	Up to five tables of limited card games - hearts, rummy, pitch, pinochle, and/or cribbage (Fee to play charged)	\$ ((466)) <u>170</u>
Class C	Tournament only, no more than ten consecutive days per tournament.	
C-5	Up to five tables	\$ ((466)) <u>170</u>
C-10	Up to ten tables	\$ ((309)) <u>308</u>
C-15	Up to fifteen tables	\$ ((500)) <u>513</u>
Class D	General - Up to five tables (No fee to play charged)	\$ ((53)) <u>54</u>
Class E	.*General (Fee to play charged)	
E-1	One table only	\$ ((398)) <u>409</u>
E-2	Up to two tables	\$ ((685)) <u>704</u>
E-3	Up to three tables	\$ ((1,142)) <u>1,172</u>
E-4	Up to four tables	\$ ((2,287)) <u>2,350</u>
E-5	Up to five tables	\$ ((3,440)) <u>3,534</u>
Additional tables up to a maximum of fifteen may be authorized for an additional per table fee of \$ ((4000)) <u>1,027</u> .		
.*In addition to the above initial license fee, the commission will assess all applicants/licensees the actual costs that exceed the license fee for conducting the initial investigation and inspection, any follow-up reviews or investigations involved in the approval of activities and schemes.		
Class F	Enhanced cardroom activities endorsement - Includes alternative fee collections (per hand; pot rake) and use of player-supported jackpot schemes.	
	Annual license fee	\$ ((1,500)) <u>1,540</u>
2. CARD GAMES - HOUSE-BANKED		
All tables within a card room operating any house-banked card game shall be licensed under this license class.		
	*Annual license fee	\$ ((6,000)) <u>6,166</u>

Per table fee (up to fifteen tables) \$ ~~((1,500))~~ 1,540

*The commission will assess all applicants the actual costs for conducting the initial license investigation and premises inspection. Any post licensing follow-up reviews, inspections, internal control evaluations or subsequent phases of operation shall also be charged actual costs. Licensees will be evaluated and charged for these additional authorizations/phases on an individual case by case basis.

3. **COMMERCIAL**

AMUSEMENT (Fee based on annual gross gambling receipts)

GAMES

* Class A	Premises only	* ((-\$285/\$130)) <u>\$292/\$133</u>
Class B	Up to \$ 50,000	\$ ((398)) <u>409</u>
Class C	Up to \$ 100,000	\$ ((1,024)) <u>1,052</u>
Class D	Up to \$ 250,000	\$ ((2,287)) <u>2,350</u>
Class E	Up to \$ 500,000	\$ ((4,012)) <u>4,122</u>
Class F	Up to \$ 1,000,000	\$ ((6,883)) <u>7,074</u>
Class G	Over \$ 1,000,000	\$ ((8,610)) <u>8,850</u>

* Allows a business that is qualified under WAC 230-04-138 (1)(f), (g), (h), (i), or (j) to enter into a contract with a class "B" or above commercial amusement game licensee to locate and operate amusement games upon their premises.

** Provides for a fee reduction of \$ ~~((155))~~ 159 when: Renewing an annual license; applying for an additional license(s) at the same premises; and/or applying for multiple licenses at the same premises.

4. **PUNCH BOARDS/**

PULL-TABS (Fee based on annual gross gambling receipts)

VARIANCE *

Class A	Up to \$ 50,000	\$5,000	\$ ((544)) <u>559</u>
Class B	Up to \$ 100,000	\$5,000	\$ ((974)) <u>998</u>
Class C	Up to \$ 200,000	\$10,000	\$ ((1,832)) <u>1,882</u>
Class D	Up to \$ 300,000	\$10,000	\$ ((2,663)) <u>2,736</u>
Class E	Up to \$ 400,000	\$10,000	\$ ((3,440)) <u>3,534</u>
Class F	Up to \$ 500,000	\$10,000	\$ ((4,153)) <u>4,268</u>
Class G	Up to \$ 600,000	\$10,000	\$ ((4,812)) <u>4,946</u>
Class H	Up to \$ 700,000	\$10,000	\$ ((5,416)) <u>5,566</u>
Class I	Up to \$ 800,000	\$10,000	\$ ((5,967)) <u>6,132</u>

Class J	Up to \$	1,000,000	\$20,000	\$ ((6,765)) <u>6,952</u>
Class K	Up to \$	1,250,000	\$25,000	\$ ((7,509)) <u>7,718</u>
Class L	Up to \$	1,500,000	\$25,000	\$ ((8,201)) <u>8,428</u>
Class M	Up to \$	1,750,000	\$25,000	\$ ((8,771)) <u>9,014</u>
Class N	Up to \$	2,000,000	\$25,000	\$ ((9,290)) <u>9,548</u>
Class O	Over \$ 2,000,000	Nonapplicable		\$ ((10,208)) <u>10,492</u>

* A licensee will be allowed a one-time variance for each license class without having to upgrade or pay the penalties set forth in WAC 230-04-260: Provided, That a licensee utilizing the variance shall be required to upgrade to the higher license class upon renewal.

5. PUNCH BOARD AND PULL-TAB SERVICE BUSINESS

(See WAC 230-04-133)	\$ ((206)) <u>211</u>
*Initial application fee	
Additional associate	\$ ((129)) <u>132</u>
Renewal	\$ ((54)) <u>52</u>
*Includes up to two associates.	

6. DISTRIBUTOR (Fee based on annual gross sales of gambling related supplies and equipment)

(a)	Class A	Nonpunch board/pull-tab only	\$ ((574)) <u>586</u>
	Class B	Up to \$ 250,000	\$ ((1,142)) <u>1,172</u>
	Class C	Up to \$ 500,000	\$ ((1,715)) <u>1,762</u>
	Class D	Up to \$ 1,000,000	\$ ((2,287)) <u>2,350</u>
	Class E	Up to \$ 2,500,000	\$ ((2,977)) <u>3,060</u>
	Class F	Over \$ 2,500,000	\$ ((3,667)) <u>3,768</u>

In addition to the annual fee, the commission will assess all applicants the actual costs incurred in conducting the investigation and inspection necessary for initial certification.

(b) FUND-RAISING EVENT EQUIPMENT DISTRIBUTOR

Class A	Rents or leases equipment for fund-raising event or recreational gaming activity up to 10 times per year.	\$ ((226)) <u>232</u>
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Class B	Rents or leases equipment for fund-raising event or recreational gaming activity more than 10 times per year.	\$ ((574)) <u>586</u>
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7. **GAMBLING SERVICE SUPPLIER**

(See WAC 230-04-119) \$ ((~~594~~)) 610

In addition to the annual fee, the commission will assess all applicants the actual costs incurred in conducting the investigation and inspection necessary for initial certification.
An annual fee of \$ 129 shall be charged for each new contract initiated by the gambling service supplier.

8. **LINKED BINGO PRIZE PROVIDER**

(See WAC 230-04-126) \$ ((~~3,815~~)) 3,920

9. MANUFACTURER	(Fee based on annual gross sales of gambling related supplies and equipment)	
Class A	Pull-tab dispensing devices only	\$ ((574)) <u>586</u>
Class B	Up to \$ 250,000	\$ ((1,142)) <u>1,172</u>
Class C	Up to \$ 500,000	\$ ((1,715)) <u>1,762</u>
Class D	Up to \$ 1,000,000	\$ ((2,287)) <u>2,350</u>
Class E	Up to \$ 2,500,000	\$ ((2,977)) <u>3,060</u>
Class F	Over \$ 2,500,000	\$ ((3,667)) <u>3,768</u>

In addition to the annual fee, the commission will assess all applicants the actual costs incurred in conducting the investigation and inspection necessary for initial certification, quality control inspection for additional activities or product lines, compliance suitability evaluations, and renewal of licenses when travel cost is incurred to complete the investigation.

10. **PERMITS**

AGRICULTURAL FAIR/
SPECIAL PROPERTY
BINGO

Class A	One location and event only (See WAC 230-04-191)	\$ 26
Class B	Annual permit for specified different events and locations (See WAC 230-04-193)	\$ ((166)) <u>170</u>

RECREATIONAL GAMING ACTIVITY (RGA)	(See WAC 230-02-505 and 230-25-330)	\$ ((53)) <u>54</u>
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MANUFACTURER'S SPECIAL SALES PERMIT	(See WAC 230-04-115)	.*\$((200)) <u>205</u>
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.*The two hundred five dollar fee is nonrefundable, whether the sales permit is approved or not. In addition, an applicant may be assessed additional fees incurred to process and determine suitability.

11. CHANGES

NAME	(See WAC 230-04-310)	\$ 26
LOCATION	(See WAC 230-04-320)	\$ 26
BUSINESS	(Same owners)	\$ ((53)) <u>54</u>
CLASSIFICATION	(See WAC 230-04-340)	
LICENSE CLASS	(See WAC 230-04-260) New class fee, less previous fee paid, plus	\$ 26
DUPLICATE LICENSE	(See WAC 230-04-290)	\$ 26
((OWNERSHIP OF)) CORPORATE STOCK/ <u>LIMITED</u> <u>LIABILITY COMPANY</u> <u>SHARES/UNITS</u>	(See WAC ((230-04-340)) <u>230-04-360</u>)	\$ ((53)) <u>54</u>
LICENSE TRANSFERS	(See WAC 230-04-125((;)) <u>and</u> 230-04-340((, and 230-04-350)))	\$ ((53)) <u>54</u>

12. SPECIAL FEES

INVESTIGATION	(See WAC 230-04-240)	As required
IDENTIFICATION AND INSPECTION SERVICES STAMPS	(See WAC 230-08-017)	As required
QUALITY CONTROL INSPECTION FEES	(See WAC 230-30-030)	As required
REPLACEMENT OF IDENTIFICATION STAMPS	(See WAC 230-30-017)	\$ 26
EXCEEDING LICENSE CLASS	(See WAC 230-04-260)	As required

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REVIEW, INSPECTION AND/ OR EVALUATION OF EQUIPMENT, PARAPHERNALIA, SERVICES, OR SCHEMES	(See WAC 230-12-315)	As required
SPECIAL SALES PERMITS	(See WAC 230-04-115)	As required
<u>ELECTRONIC CARD</u> <u>FACSIMILE TABLE</u> <u>IDENTIFICATION</u> <u>STAMP</u>	(See WAC 230-08-017) <u>*Annually, for each separate table</u>	<u>.*\$ 350</u>
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13. SIX-MONTH PAYMENT PLAN	(See WAC 230-04-190)	\$ 26

Administrative Order #408 Effective Date: 01/01/02

AMENDATORY SECTION (Amending Order 399, filed 2/9/01, effective 3/12/01)

WAC 230-04-204 Fees--Individuals. Individuals shall submit the following fees to the commission when applying for gambling licenses, permits, miscellaneous changes, or when assessed the cost of special investigation procedures by the commission:

LICENSE TYPE	DEFINITION	FEE
1. CHARITABLE OR NONPROFIT GAMBLING MANAGER	Original	\$ 166
	Renewal	\$ 80
	Change of Employer	\$ 80
2. LINKED BINGO PRIZE PROVIDER REPRESENTATIVE	Original	\$ ((226)) <u>232</u>
	Renewal	\$ ((139)) <u>142</u>
3. COMMERCIAL GAMBLING MANAGER	Original	\$ ((166)) <u>170</u>
	Renewal	\$ ((80)) <u>82</u>
	Change of Employer	\$ ((80)) <u>82</u>
4. DISTRIBUTOR'S OR GAMBLING SERVICES SUPPLIER REPRESENTATIVE	Original	\$ ((226)) <u>232</u>
	Renewal	\$ ((139)) <u>142</u>
5. MANUFACTURER'S REPRESENTATIVE	Original	\$ ((226)) <u>232</u>
	Renewal	\$ ((139)) <u>142</u>
6. PUBLIC CARD ROOM EMPLOYEE	CLASS A - Performs duties as defined in WAC 230-02-415 in a class E card room.	
	Original	\$ ((166)) <u>170</u>
	Renewal	\$ ((80)) <u>82</u>
	CLASS B - Performs duties as defined in WAC 230-02-415 in enhanced and house-banked card rooms.	
	Original,	
	in-state	\$ ((224)) <u>230</u>

Original,		
out-of-state		\$ ((279))
		<u>286</u>
Renewal		\$ ((139))
		<u>142</u>
Transfer/Additional Employee/Conversion/ Emergency Waiver Request		\$ ((55)) <u>56</u>
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7. OTHER FEES		
CHANGE OF NAME	(See WAC 230-04-310)	\$ 26
DUPLICATE LICENSE	(See WAC 230-04-290)	\$ 26
OUT-OF-STATE	(See WAC 230-04-240)	As
RECORDS INQUIRY		required
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AMENDATORY SECTION (Amending Order 383, filed 4/14/00, effective 5/15/00)

WAC 230-04-207 ((Additional requirements--)) House-banked card games--Additional requirements. Prior to ((being granted a license, each applicant)) an application for a house-banked card room license being presented to the commission for approval, the applicant shall demonstrate their ability to comply with commission requirements for ((operation of house-banked card)) such games. In order to demonstrate this capability, an applicant shall provide such information as the commission staff may require((- Such information shall be reviewed and any discrepancies corrected prior to the granting of a license)) and complete a preoperational review and evaluation (PORE) per WAC 230-40-801. At least the following shall be submitted as a part of their application:

Internal accounting and administrative controls.

(1) A detailed description of its planned system of internal accounting and administrative controls in the standard format prescribed by commission staff. Such information shall meet all requirements set forth in WAC 230-40-815 and be presented in both a narrative and diagrammatic form;

Physical layout.

(2) A detailed diagram of the planned physical layout of the card room and all supporting installations. Such diagram shall include at least the following:

- (a) The location of all gaming tables;
- (b) The location of all surveillance cameras;
- (c) The count room;
- (d) The surveillance room; and
- (e) The cashier's cage;
- (3) A detailed description of:
 - (a) Card games to be played, including rules of play; and
 - (b) Type of gaming tables, including table layouts.

AMENDATORY SECTION (Amending Order 369, filed 12/1/98, effective 1/1/99)

WAC 230-08-017 Control of gambling equipment--Use of identification and inspection services stamps. To ensure gambling equipment is used only as authorized, manufacturers, distributors, linked bingo prize providers, and operators shall maintain close control over all gambling equipment in their possession.

Documenting equipment transfers.

(1) Each licensee that transfers ~~((of such))~~ leases or provides gambling equipment shall ~~((be documented))~~ document the transaction by completing an invoice or other written record setting forth the information required by WAC 230-08-040.

ID stamps to be affixed to equipment.

(2) Identification and inspection services stamps obtained from the commission shall be used to identify gambling equipment and shall be permanently and conspicuously affixed to all equipment and devices designated by the commission. Once attached, identification and inspection services stamps shall not be removed, disfigured, or otherwise tampered with by any person. These stamps shall be attached and controlled in the following manner:

Equipment/devices requiring ID stamps.

~~((4))~~ (3) Identification and inspection services stamps shall be attached to the following gambling equipment and devices:

- (a) Punch boards and pull-tab series;
- (b) Pull-tab dispensing devices;
- (c) Disposable bingo cards ~~((:— Provided, That this requirement applies to cards shipped for use in Washington state after December 31, 1993. All inventory on hand at the distributor and operator level at the close of business on December 31, 1993, shall be exempt from this requirement))~~;
- (d) Coin or token-activated amusement games operated at any Class A amusement game license location;
- (e) Electronic bingo card daubers; ~~((and))~~
- (f) Electronic card facsimile table; and
- (g) Other gambling equipment or devices, as determined by the director.

Purchasing and affixing ID stamps.

~~((2))~~ (4) Identification and inspection services stamps shall only be sold to and attached by licensed manufacturers or commission staff: Provided, That a licensed owner of controlled gambling equipment may purchase and attach stamps as outlined in subsections ~~((7) and (8))~~ (10) and (11) of this section;

Fees for ID stamps.

~~((3))~~ (5) The fee charged for identification and inspection services stamps shall be set by the commission at a level sufficient to fund regulation and control of gambling equipment. Fees shall be as set out below:

(a) Punch boards and pull-tabs:

- (i) Standard - wagers fifty cents and below - twenty-seven cents;
- (ii) Standard - wagers over fifty cents - one dollar and two cents;
- (iii) Progressive jackpot pull-tab series - ten dollars and twenty-seven cents per series;
- (iv) Pull-tab series with carry-over jackpots - one dollar and two cents;

(b) Pull-tab dispensing devices:

- (i) Mechanical and electro-mechanical - twenty-seven cents;
- (ii) Electronic - pull-tab dispensing devices that require initial and ongoing evaluation of electronic components or functions, such as reading encoded data on pull-tabs, accounting for income or prizes, and other functions determined by the director - one hundred two dollars and seventy-nine cents annually.
- (c) **Disposable bingo cards:**
 - (i) Sets of individual cards or sheets of cards - twenty-seven cents;
 - (ii) Collations of cards - one dollar and ~~((ten))~~ thirteen cents;
 - (iii) Cards used to play for linked bingo prizes - forty-one cents per two hundred fifty cards.
- (d) **Coin or token-activated amusement games** operated at any Class A amusement game license location - twenty-five dollars and sixty-nine cents annually;
- (e) **Electronic bingo card daubers** - ten dollars and twenty-seven cents annually;
- (f) **Electronic card facsimile table** - three hundred fifty dollars annually for each table;
- (g) **Other equipment or devices** - the actual cost of inspection or approval, as determined by the director.

ID stamps valid for one year - exception.

~~((4))~~ (6) Devices that require identification and inspection services stamps to be installed annually shall have such stamps attached prior to placing any device into play and, on or before December 31 of the year preceding operation for each subsequent year(~~(:—Provided, That annual identification and inspection services stamps shall be purchased and attached to electronic pull tab dispensing devices, coin operated amusement games, and electronic bingo card daubers located in the state on December 31, 1996, prior to the operation of such devices on or after January 1, 1997))~~).

Affixing stamps - shipping and packaging.

~~((5))~~ (7) Identification stamps shall only be affixed to gambling equipment or devices in such a manner as to assure reasonable inspection without obstruction. If equipment is enclosed or packaged within protective materials, the stamps shall be readily visible for inspection without removal of any portion of the protective packaging: Provided, That when more than one device is packed in a shipping carton, this requirement shall not apply if the identification and inspection services stamp numbers of all devices contained in the carton are printed or otherwise noted on the outside of the carton.

Location of ID stamps on equipment/devices.

- (8) Stamps and records entry labels shall be affixed in the following manner:
 - (a) **Punch boards** - on the reverse side in an area that will not obstruct removal of punches: Provided, That if sufficient space is not available on the reverse side, the records entry labels may be wrapped around and/or partially attached to the edge of a punch board in a manner that will not obstruct display of prizes available or other information required by rules of the commission;
 - (b) **Pull-tabs** - on the face or reverse side of the flare. If placed on the face, then they must be in an area that will not obstruct prizes available or any other information required by rules of the commission;
 - (c) **Pull-tab dispensing devices** - on the outside of the main body, in an area that is not normally removed and replaced, and in a manner that will not obstruct the view of the pull-tabs available for play. The records entry labels shall not be affixed to dispensing devices and may be discarded; ~~((and))~~
 - (d) **Disposable bingo cards** - on the packing label attached to the outside of the shipping carton. Records entry labels shall be attached to the packing slip: Provided, That when a set or collation of cards is packed in more than one shipping carton, the stamp shall be attached to carton number one and the stamp number imprinted on all remaining shipping cartons; and

(e) **Electronic facsimile card table** - on the outside of the main body, in an area that is not normally removed and replaced, and in a manner that will not obstruct the view of the card facsimiles. The records entry labels shall not be affixed to table and may be discarded.

ID stamps shall only be affixed to approved devices.

~~((6))~~ (9) Identification and inspection services stamps shall not be attached to gambling equipment or devices that do not comply with rules of the commission. If a piece of equipment or a device requires specific commission approval, stamps shall not be affixed prior to such approval.

Licensed owners may purchase ID stamps.

~~((7))~~ (10) A licensed owner of gambling devices which require annual identifications and inspection services stamps may purchase such from the commission. The licensee shall submit the appropriate fee, along with a form provided by the commission, to obtain the stamps.

Replacing worn ID stamps on pull-tab dispensing devices.

~~((8))~~ (11) A licensed owner of pull-tab dispensing devices may obtain a commission identification and inspection services stamp to replace an identification stamp affixed to a pull-tab dispensing device that has become unidentifiable due to wear. The fee for replacement of the stamp shall be as required by WAC 230-04-202 and/or 230-04-203. The operator or distributor shall furnish the following information to the commission:

(a) A copy of the invoice from the operator, distributor or manufacturer for the purchase of the dispensing device in question; or

(b) A complete description of the pull-tab dispensing device, serial number, manufacturer, and the commission stamp number previously affixed to the device, if known.

Recordkeeping and replacing damaged stamps.

~~((9))~~ (12) Manufacturers shall maintain records that will allow accountability for all identification and inspection services stamps issued to them by the commission for at least three years after they are affixed to devices and sold. This accountability shall be by indefinite retention of unused or damaged stamps or by records as set out in WAC 230-08-025: Provided, That damaged stamps may be returned to the commission and will be replaced with serviceable stamps if they are accompanied by a detailed listing of the damaged stamps and a ten cent per stamp service charge.

AMENDATORY SECTION (Amending WSR 98-08-052, filed 3/27/98, effective 7/1/98)

WAC 230-20-325 Manner of conducting a raffle.

~~((What are the general requirements for conducting a raffle?~~

~~(1) All raffles, except as otherwise provided in WAC 230-20-335, shall be conducted by selling individual chances for not more than twenty five dollars and awarding prizes by selecting winners by a random drawing from among all chances sold. The following operating procedures apply:~~

~~(2) All raffle chances shall be consecutively numbered tickets or other objects imprinted with letters or symbols that are not repeated within the population of all chances sold for a specific raffle;~~

~~(3) No person shall be required to obtain more than one chance to enter a raffle;~~

~~What additional requirements apply to raffles offered to the general public and raffles that do not require the winner to be present at the drawing?~~

~~(4) Raffle chances sold to the general public or for raffles that do not require the winner to be present at the drawing shall consist of a ticket that includes a stub or other detachable section bearing a duplicate number, letter, or symbol corresponding to the number, letter, or symbol on the ticket or object representing the player's chance. The portion retained by the raffle operator shall include the participant's name, complete address, telephone number, and/or other information necessary to notify the winner;~~

~~What information must be provided to raffle participants and when must such information be provided?~~

~~(5) All participants in a raffle must be informed of all rules by which such prizes may be won at the time of sale of a chance. This information shall be provided by either imprinting such on the participant's portion of the ticket or otherwise providing such to each participant in writing. The following information shall be provided to each participant:~~

~~(a) The cost of each chance;~~

~~(b) All prizes available, whether cash or merchandise;~~

~~(c) Date and time of drawing;~~

~~(d) Location of drawing;~~

~~(e) Whether an entrant is required to be present at a raffle drawing in order to be eligible to win a prize; and~~

~~(f) Name of organization conducting raffle;~~

~~What are the restrictions on raffle entry fees and ticket prices?~~

~~(6) No person shall be required to pay, directly or indirectly, more than twenty five dollars in order to enter any raffle: Provided, That the sale of more than a single ticket to a single participant or the sale of a booklet of tickets under approval of the director, as authorized by subsection (7) of this section, shall not be deemed a violation of this section;~~

~~(7) Each raffle ticket must be sold for the same price as every other raffle ticket being used for that particular raffle: Provided, That the director may authorize a licensee to sell tickets at a discount if:~~

~~(a) A petition for approval for discount sales is received at the Lacey headquarters office at least thirty days prior to beginning the raffle for which such approval is requested. Each petition for approval to sell discounted raffle tickets shall include at least the following:~~

~~(i) A full description of the discount scheme;~~

~~(ii) The accounting controls and records to be used; and~~

~~(iii) A facsimile of the tickets and booklet cover planned for the raffle.~~

~~(b) Any licensee requesting approval for this activity shall reimburse the commission for all costs in reviewing and approval of such under the guidelines set forth in WAC 230-08-017;~~

~~(c) The organization has a Class E or higher raffle license: Provided, That organizations that are licensed to conduct raffles at Class C or Class D may participate in this activity if all requirements of WAC 230-08-070 are followed;~~

~~(d) Participants must be allowed to purchase a single ticket;~~

~~(e) A single discount scheme is allowed for each raffle. The amount of the discount must be set prior to beginning sales for the raffle and shall not be changed during any raffle. The following restrictions apply to such discounted tickets:~~

~~(i) Discounted tickets must be bundled into booklets that contain the number of tickets set forth in the scheme (i.e., ten tickets if tickets are sold for two dollars a piece or ten for fifteen dollars, three tickets if tickets are sold for five dollars a piece or three for ten dollars, five tickets if tickets are sold for five dollars a piece or five for twenty dollars, etc.);~~

~~(ii) Tickets bundled into booklets shall not be removed from the booklet and sold individually;~~
and

~~(iii) The booklet cover of each ticket booklet shall be imprinted with a description of the sales scheme that includes the number of tickets included and the total cost of the booklet and a control number that meets the requirements of subsection (2) of this section; and~~

~~(f) Accounting procedures must be established that provide controls necessary to allow commission staff the ability to audit gross gambling receipts from such tickets;~~

What are the limits on what may be offered as a prize or reward for either selling or purchasing tickets?

~~(8) No free tickets, or any opportunity to participate in the drawing of any raffle, shall be awarded or given to a person as a prize or reward for selling raffle tickets or for purchasing a certain number of raffle tickets: Provided, That noncash incentive awards may be provided to members selling tickets if:~~

~~(a) Individual awards do not exceed a fair market value of ten dollars;~~

~~(b) The awards are based on the number of chances sold; and~~

~~(c) The fair market value of the total amount awarded for an individual raffle does not exceed two percent of the gross gambling receipts of the raffle;~~

What are the procedures for handling sold tickets?

~~(9) Each ticket seller shall return to the licensee the stubs or other detachable section of all tickets sold. The licensee shall then place each stub or other detachable section of each ticket sold into a receptacle from which the winning tickets are to be drawn;~~

What are the procedures for conducting a raffle drawing?

~~(10) The raffle license issued by the commission or a copy of the license shall be posted in plain view at the location at all times during the occasion when a drawing is being conducted.~~

~~(11) The ticket collection receptacle shall be designed so that each ticket has an equal opportunity to be drawn: Provided, that an alternative drawing format to determine the winner may be utilized if such format is approved by the director before tickets are sold and the following requirements are complied with:~~

~~(a) The organization must have a current raffle license;~~

~~(b) The alternate format must meet the definition of a drawing as defined by WAC 230-02-500;~~

~~(c) The random selection process used in the alternative format shall be fully disclosed to each player prior to selling a ticket;~~

~~(d) Any alternate format utilized to determine the winners must be closely controlled by the licensee; and~~

~~(e) The written request to utilize an alternative drawing format shall contain, at a minimum, the following information:~~

~~(i) The time, date and location of the drawing;~~
~~(ii) The type of random selection process to be used and complete details of its operation;~~
~~(iii) The name and telephone number of the raffles manager; and~~
~~(iv) The signature of the organization's chief executive officer.))~~ Only charitable and nonprofit organizations may conduct a raffle. All raffles, except as authorized in WAC 230-02-335 (members-only raffles), shall be conducted utilizing the following operating procedures:

Price per ticket - maximum \$25.

(1) Each raffle ticket may not be sold for more than twenty-five dollars. Every raffle ticket for a particular raffle must be sold for the same price: Provided, That tickets may be bundled together and sold at a discount, as authorized by subsection (2) of this section.

Discount schemes for tickets.

(2) The director may authorize a raffle licensee to sell tickets at a discount when the following requirements are met:

License required.

(a) The organization must have a current Class E or higher raffle license: Provided, That Class C or Class D raffle licensees may offer discounted tickets if all recordkeeping requirements of WAC 230-08-070 are followed.

Request for approval.

(b) A request for approval of discounted sales must be received at the Lacey headquarters office at least thirty days prior to beginning the first raffle for which such approval is requested. The request for approval shall include, at a minimum, the following information:

- (i) A full description of the discount scheme;
- (ii) The account controls and records that will be used; and
- (iii) A copy of a raffle ticket and the booklet cover to be used in the raffle.

Subsequent discount schemes.

(c) After a licensee has received approval for a discount scheme, the licensee may utilize the identical discount scheme in subsequent raffles, unless approval is rescinded or commission rules change.

Cost of approval.

(d) The licensee shall reimburse the commission for costs incurred to review discount schemes: Provided, That the licensee will not be charged for the first two hours of service (WAC 230-12-315).

Amount of discount.

(e) Only one discount scheme is allowed for each raffle. The amount of the discount must be set prior to selling any raffle tickets and must not be changed during the raffle.

Bundling tickets.

- (f) Raffle tickets bundled to be sold at a discount must meet the following requirements:
 - (i) Discounted tickets must be bundled into booklets that contain the number of tickets set forth in the approved scheme. For example, if single tickets are sold for five dollars each, the discount scheme may allow three tickets to be bundled together and sold for ten dollars;
 - (ii) Tickets bundled into booklets shall not be removed from the booklet and sold individually;
- and
- (iii) The cover of each ticket booklet shall be imprinted with the following:

- (A) A description of the sales scheme;
- (B) The number of tickets in the booklet;
- (C) The total cost of the booklet; and
- (D) A control number that meets the requirements of subsection (3) of this section.

Accounting.

(g) Accounting procedures must be established and provide controls necessary to allow commission staff the ability to audit gross gambling receipts from ticket sales.

Numbering of tickets.

- (3) To provide an adequate audit trail, all raffle tickets shall be:
 - (a) Consecutively numbered; or
 - (b) Imprinted with letters or symbols which are not repeated within the population of all tickets sold for a particular raffle.

Purchasing tickets.

- (4) No person shall be required to purchase more than one raffle ticket.

No free tickets or chances to win.

- (5) Free tickets, or an opportunity to participate in a raffle drawing without purchasing a ticket, are not allowed for any reason, including, but not limited to, the following:
 - (a) Awarded or given away as a prize;
 - (b) For purchasing a certain number of raffle tickets; or
 - (c) As a reward for selling raffle tickets.

Ticket stub information.

(6) Raffle tickets sold to the general public or for raffles that do not require the winner to be present at the drawing shall include a stub or other detachable section bearing a duplicate number, letter, or symbol corresponding to the number, letter, or symbol on the ticket or object representing the player's chance. The portion retained by the raffle operator shall include the participant's name, complete address, telephone number, and/or other information necessary to notify the winner.

Ticket stubs to be placed in receptacle for drawing.

(7) Each person that sells a raffle ticket shall give the raffle licensee all ticket stubs or other detachable section of all tickets sold. The licensee shall place each stub or other detachable section of each ticket sold into a receptacle from which the winning tickets will be drawn.

Drawing the winning tickets.

(8) The ticket collection receptacle shall be designed so that each ticket has an equal opportunity to be drawn: Provided, That an alternative drawing format to determine the winners may be utilized, as authorized by subsection (9) of this section.

Alternative drawing format.

(9) The director may authorize a raffle licensee to determine the winners utilizing an alternative drawing format when the following requirements are met:

License required.

- (a) The organization must have a current raffle license.

Request for approval.

(b) A request for approval for an alternative drawing format must be received at the Lacey headquarters office at least thirty days prior to beginning the first raffle for which such approval is requested. The request shall include, at a minimum, the following information:

- (i) The type of random selection process to be used and complete details of its operation;
- (ii) The name and telephone number of the raffle manager; and
- (iii) The signature of the organization's chief executive officer.

Subsequent alternative drawing formats.

(c) After a licensee has received approval to utilize an alternative drawing format, the licensee may utilize the identical drawing format in subsequent raffles, unless approval is rescinded or commission rules change.

Cost of approval.

(d) The licensee shall reimburse the commission for costs incurred to review alternative drawing formats: Provided, That the licensee will not be charged for the first two hours of service (WAC 230-12-315).

Additional requirements.

(e) The alternate drawing format must meet the definition of a drawing as defined by WAC 230-02-500;

(f) The random selection process used in the alternative format shall be fully disclosed to each player prior to selling a ticket; and

(g) The alternate drawing format must be closely controlled by the licensee.

Selling tickets.

Members only to sell - exception.

(10) Tickets must be sold by members of the organization or volunteers under the supervision of a member under the requirements set forth in WAC 230-20-070(1).

Compensation or incentives for sales.

(11) Members shall not be paid for selling tickets, managing or operating a raffle: Provided, That noncash incentive awards may be provided to members for selling tickets if the following requirements are met:

(a) Individual awards do not exceed a fair market value of ten dollars;

(b) The awards are based on the number of chances sold; and

(c) The fair market value of the total amount awarded for an individual raffle does not exceed two percent of the gross gambling receipts of the raffle.

Prizes.

(12) Prizes must be owned by the organization conducting the raffle prior to drawing the winning tickets. Raffle prizes must meet the following requirements:

(a) Firearms shall not be awarded as prizes: Provided, That a raffle licensee may award firearms as prizes under the provisions set forth in WAC 230-12-040;

(b) Liquor shall not be awarded as prizes: Provided, That unopened containers of liquor may be awarded as a prize in members-only raffles when the proper permit is obtained from the liquor control board (RCW 9.46.0315 and WAC 230-20-335);

(c) The amount of money spent on prizes must meet the requirements set forth in WAC 230-20-015; and

(d) Prizes shall be controlled as set forth in WAC 230-20-300.

Rules must be provided to participants.

(13) All participants in a raffle must be informed of all rules by which prizes may be won at the time the ticket is purchased. This information shall be provided by either imprinting such on the participant's portion of the ticket or otherwise providing such to each participant in writing.

The following information shall be provided to each participant:

(a) The cost of each chance;

(b) All prizes available, whether cash or merchandise;

(c) Date and time of drawing;

(d) Location of drawing;

(e) Whether an entrant is required to be present at a raffle drawing in order to be eligible to win a prize; and

(f) Name of organization conducting the raffle.

Posting the raffle license.

(14) The raffle license or a copy of the license must be posted in a location readily visible by all raffle participants during the entire time the drawing of winners is being conducted.

Joint raffles.

(15) Raffle licensees may join together to conduct a raffle when the provisions set forth in WAC 230-20-350 are met.

Members-only raffles.

(16) Organizations may conduct members-only raffles under simplified procedures set forth in WAC 230-20-335.

AMENDATORY SECTION (Amending WSR 98-08-052, filed 3/27/98, effective 7/1/98)

WAC 230-20-335 Members-only raffles--Procedures--Restrictions. Organizations may conduct members-only raffles utilizing simplified procedures. For purposes of this section, "members-only raffle" means a raffle conducted by selling chances only to members of the organization and a limited number of guests, and determining the winners from among those members and guests that have purchased chances. The following procedures and restrictions supplement or modify WAC 230-08-070 and 230-20-325 and apply only to members-only raffles:

Licensed versus unlicensed.

(1) An organization may conduct an unlimited number of unlicensed members-only raffles if the combined gross revenue from the raffles does not exceed five thousand dollars during a calendar year. If the organization plans to exceed the five thousand dollar gross receipts limit, it must obtain a raffle license.

Raffle to begin and end during membership meeting.

(2) In order to conduct raffles utilizing these simplified procedures, all phases of the raffle must be completed during a meeting of the members, and the meeting must be completed on the same day and at the same location without interruption;

Limit on number of guests.

~~((2))~~ (3) If guests are allowed to participate, the total number of guests, as a percentage of the total attendance of the meeting, shall not exceed twenty-five percent. Records shall be maintained that will allow commission staff to determine compliance with this requirement;

Rules of play.

~~((3))~~ (4) All disclosures required to be imprinted on a raffle ticket or chance may be provided to participants by posting a sign at each ticket sales point;

Tickets.

~~((4))~~ (5) Chances to enter a raffle may be included as a part of a package that includes dues, entertainment, or other fund-raising activities if the value of each component of the package is disclosed to the purchaser and the value of each individual raffle chance does not exceed twenty-five dollars: Provided, That initial applications for membership and any fees paid for such shall not include chances to enter raffles or to participate in any gambling activities;

Modified pricing schemes for tickets.

~~((5))~~ (6) The director may authorize an organization to deviate from the "same price" requirements of WAC 230-20-325~~((5)). Approval for such schemes must be in writing and received prior to beginning ticket sale utilizing such sales. Approval of such schemes remain valid until the scheme is modified by the licensee or the approval is revoked by the director. The following pricing schemes may be approved~~) (1) when the following requirements are met:

License required.

(a) The organization must have a current raffle license.

Request for approval.

(b) A request for approval of a modified pricing scheme must be received at the Lacey headquarters office at least thirty days prior to beginning the first raffle for which such approval is requested.

Subsequent pricing schemes.

(c) After an organization has received approval for a modified pricing scheme, the organization may utilize the identical approved pricing scheme in subsequent raffles, unless approval is rescinded or commission rules change. The following modified pricing schemes may be approved by the director:

Different prices for tickets - one cent to ten dollars.

~~((a))~~ (d) Chances to enter a raffle may be sold for different values, ranging from one cent to a maximum of ten dollars, if the following conditions are met:

(i) The scheme for assigning the cost of the ticket must be disclosed to the player before selling them a chance to participate. This disclosure shall include the total number of tickets in the population and the number of tickets at each price level;

(ii) Participants must be allowed to randomly select their ticket from the population of remaining tickets. Participants pay the amount imprinted upon the ticket they select;

(iii) The scheme provides an adequate audit trail that will allow commission staff and taxing authorities to determine gross gambling receipts;

(iv) The total gross gambling receipts available from raffles utilizing such schemes are limited to five thousand five dollars for each drawing;

(v) No more than two such drawings are conducted during a meeting of the members.

Discount based on number of tickets purchased.

~~((b))~~ (e) Chances may be sold for a discounted price that is based on the number of tickets a player purchases if:

(i) Participants are allowed to purchase a single ticket;

(ii) ~~((A single))~~ Only one discount scheme is allowed for each raffle. The amount of the discount must be set prior to beginning sales for the raffle ~~((and shall not be changed during the raffle))~~;

(iii) The cost of a single ticket, without a discount, does not exceed two dollars;

(iv) The total cost of a discount package does not exceed twenty-five dollars;

(v) The cost of a single ticket shall be imprinted on each ticket (i.e., one dollar a piece or twelve for ten dollars; or two dollars a piece or fifteen for twenty dollars); and

(vi) The licensee shall establish an audit system that includes controls and procedures that will allow commission agents and taxing authorities the ability to determine gross gambling receipts from the sale of tickets utilizing discounts. Such system shall be submitted to the director or the director's designee as a part of the approval request;

Other pricing schemes.

~~((6))~~ ~~The following sales schemes may be used for members only raffles:~~

~~((a))~~ (f) Multiple tickets to enter one or more drawings may be sold as a package as long as the total price of the package does not exceed twenty-five dollars; and

~~((b))~~ (g) Alternative ((sales methods)) pricing schemes may be used if specifically authorized by the ~~((commission))~~ director. ~~((This authority))~~ Approval will be issued on an individual basis and will require a detailed written request;

Alternative drawing formats.

(7) ~~((Alternative drawing formats approved for members only raffles shall be valid until revoked by the commission staff, if all the information required by this subsection is reported to the commission~~

at least ten days before any drawing using such schemes. Notification for members only raffles may be signed by the designated raffle manager;)) The director may authorize an organization to determine the winners utilizing an alternative drawing format when the following requirements are met:

License required.

- (a) The organization must have a current raffle license.

Request for approval.

(b) A request for approval of an alternative drawing format for a members-only raffle must be received at the Lacey headquarters office at least thirty days prior to beginning the first raffle for which such approval is requested. Requests for approval of alternative drawing formats shall be signed by the organization's raffle manager.

Subsequent alternative drawing formats.

(c) After an organization has received approval for an alternative drawing format, the organization may utilize the identical alternative drawing format in subsequent raffles, unless approval is rescinded or commission rules change.

Incentives for selling tickets.

(8) The limitations on noncash incentive awards for an individual raffle, set forth in WAC 230-20-325 ~~((8)(a) and (e)))~~ (11), are modified to allow awards that do not exceed five percent of the combined gross gambling receipts for all raffles conducted during a membership meeting if a record of the name, address, and telephone number is maintained for all persons receiving awards valued in excess of fifty dollars;

Prizes.

(9) Prizes must be owned by the organization conducting the raffle prior to drawing the winning tickets. Raffle prizes must meet the following requirements:

(a) Firearms shall not be awarded as prizes: Provided, That a raffle licensee may award firearms as prizes under the provisions set forth in WAC 230-12-040;

(b) Unopened containers of liquor may be awarded as a prize when the proper permit is obtained from the liquor control board;

(c) Prize limits must meet the requirements set forth in WAC 230-20-015; and

(d) Prizes shall be controlled as set forth in WAC 230-20-300.

Records.

~~((9)))~~ (10) Raffle records, as required by WAC 230-08-070, are modified as follows:

(a) The threshold value for maintaining a record of the name, address, and telephone number of each winner of a prize is increased to include only prizes valued in excess of fifty dollars;

(b) Ticket disbursement records are not required; and

(c) Minimum record retention period is reduced to a period that is not less than one year following the date of each individual raffle drawing.

NEW SECTION

WAC 230-40-801 Interruption of card games--Preoperational review and evaluation required--Procedures--House-banking. A house-banked card room applicant, or a current licensee who interrupts operations for a substantial period, shall demonstrate the ability to comply with commission requirements prior to operating house-banked card games. In order to demonstrate such capability, the commission staff shall complete a preoperational review and evaluation (PORE) of the entire operation. The following requirements and preoperating procedures apply to house-banked card rooms:

Review and evaluation process.

(1) The commission staff shall review and evaluate the information presented per WAC 230-04-207 to determine:

(a) The internal accounting and administrative controls are adequate to assure gambling activities are controlled and results of operations are accurately recorded;

(b) The physical layout of the card room and supporting functions are adequate to implement the proposed accounting and administrative controls;

(c) The applicant has adequate trained personnel and an organizational structure that will support implementation of the proposed accounting and administrative controls.

Notification of interruptions in operations.

(2) A licensee shall notify the commission in writing if the operation of house-banked card games is interrupted for more than seven days. Such notification shall:

(a) Be made within three days of the interruption;

(b) Include the reason for ceasing operations; and

(c) Include the estimated date operations are planned to recommence.

Procedures for interruptions in operations.

(3) A licensee shall comply with the following procedures prior to commencing operations:

(a) Provide the commission, in writing, with any changes in the information required by WAC 230-04-207;

(b) Request commission staff to evaluate the impact of any changes in internal controls, physical layout, or personnel structure and to complete a PORE for changes that are material;

(c) Correct any discrepancies noted by the staff's review; and

(d) Receive written approval from the director to commence operations: Provided, That the director may allow limited operations when changes require the staff to observe operations in order to evaluate the impact of changes.

Operational Questions / Regional Offices

Lynnwood Bellingham	(425) 776-6751 (360) 738-6203	Tacoma Yakima	(253) 471-5312 (509) 575-2820	Spokane Wenatchee	(509) 456-3167 (509) 662-0435
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Headquarters

Lacey (800) 345-2529 or (360) 486-3440

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*** Call the closest regional office listed above**

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